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November 18, 2005

Robert Conner – Director, Operations Services
Unitil Service Corp.
6 Liberty Lane West
Hampton, NH 03842

RE: 2005 Maintenance Tree Trim Invoices – Unitil-Capitol and Unitil-Seacoast

Dear Bob:

I have received your letter dated Nov. 4th and would like to take this opportunity say thank you for reviewing the data I sent and for providing me with the results. I am glad to see there is an agreement on the invoicing in the Unitil-Capitol area for the months of January thru April with the exception of \$2,661.74. I am sure you and I can come to a resolution on the outstanding amount. I would also like to provide you with the status of the remaining 2005 maintenance trim for both the Unitil-Capitol and the Unitil-Seacoast areas.

Unitil-Capitol:

I have reviewed the invoicing for the months of May and June in the amount of \$13,783.12. The field review and the analysis of data during this time period indicates that 53.5% or \$7,376.86 of the total invoice has the same invoicing issues as January thru April. Please note we are in agreement of trimming in the amount of \$6,406.26 which is currently being processed for payment. Following is a breakdown for your review:

Month	Total Hrs Labor	Total Hrs Equip	Total Trim \$\$\$	VZ Verified Labor Hrs	VZ Verified Equip Hrs	VZ Verified Total Cost	VZ Accepted 25% Trim Cost	Total Traffic Control \$\$\$	VZ Verified Traffic Cost	VZ Accepted 25% Traffic Cost	Total VZ Accepted Costs	Amount Invoiced by Unitil:	Comments
(Trim)													
May	721.00	72.00	\$24,758.21	487.00	57.60	\$16,897.18	\$4,224.30	\$4,788.00	\$1,543.50	\$385.88	\$4,610.17	\$7,433.82	May & June =
June	584.00	0.00	\$19,455.96	198.00	0.00	\$6,596.37	\$1,649.09	\$5,779.75	\$588.00	\$147.00	\$1,796.09	\$6,349.30	\$13,783.12
Total:											\$6,406.26	\$13,783.12	

With respect to the July thru September trim invoicing and supporting documentation which we received on October 31st of this year we are currently reviewing the information and I will provide you with a response as soon as complete.

Attachment 2 Staff 3-44A Follow-Up

Unitil-Seacoast:

The Unitil-Seacoast is a little different due to the fact that although we provided a response earlier in the process to Scott Wade I was told that it did not matter as we were going to be invoiced 25% of the total trim costs regardless of the response we provided. It was actually due to this position that I opted to focus on the Unitil-Capitol area first. Please note that the first Exchange of Notice (EON) I received from Scott Wade this year was EON #1376 dated May 9, 2005. Our OSP Engineer returned the EON on June 1st and provided Scott with the locations we agreed provided mutual benefit. The second EON from Scott dated May 9, 2005 was field reviewed and returned, along with a list of the sections we agreed provided mutual benefit, to Scott on July 12th.

Unitil-Seacoast has charged Verizon, on a statement of account, a total of \$51,669.85 for maintenance trim and associated traffic control cost for the months of January thru September of this year. I sent an email to Scott on Nov. 17th questioning if the charges reflect the level of participation we agreed to back in July or if the charges are consistent with his view that Verizon should compensate Unitil 25% of all trimming cost regardless of our opinion of mutual benefit or need. Once I receive a response from Scott and an actual invoice I will calculate the amount to process for payment.

A review of my Unitil-Seacoast files and spreadsheet indicates that I have only received one additional EON from Unitil-Seacoast this year being EON #2005-3 dated Nov. 15th via email for locations in the municipality of Plaistow which was immediately passed onto OSP Engineering for field review. It is my understanding that the field review has been completed and the EON is on its way back to Unitil. With that said I believe it is also fair to say, with respect to the Unitil-Seacoast area, that two (2) of the three (3) EONs received were responded to within thirty (30) days while the other was responded to a little over sixty (60) days. I would respectfully ask if the invoicing represents the level of participation we agreed to given the fact that we did provide a timely response once an EON was received. It is clear that account #2279 was being assessed trimming charges even though an EON was not provided for the months of January thru March.

My biggest concern is that even though a response was provided in the first part of July to Unitil-Seacoast, charges to account #2279 on July 29th in the amount of \$17,068.07 and on Oct. 31st in the amount of \$16,366.16 seem to have ignored the effort we made to provide you a timely response.

I would like to thank you for becoming involved in this issue. It is my opinion that since you and I have started working together progress has been made which is to the benefit of both companies. I believe it is due to our commitment to focus on resolving the issue and establish a process regardless of historical issues.

Respectfully,

Troy F. McDonald

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Cc: Marty Wilkinson – FMC Manager (Verizon)
Serge Laprise – FMC Manager (Verizon)
Louise Guillemete – OSP Billing Supervisor (Verizon)

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